

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

> JOHN R. BAZA Division Director

JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > January 23, 2007

Mr. Dominique Merz Gemstone Mining, Inc. 599 North 800 West #6 Cedar City, Utah 84720

Subject: Notice of Permit Release, Gemstone Mining Inc., Red Emerald Mine, M/001/045,

Beaver County, Utah

Dear Mr. Merz:

The Division finds reclamation work complete for the Red Emerald Mine; permit number M/001/045, located in Beaver County, Utah. The permit is now released.

The Operator, Gemstone Mining Inc., has performed all obligations under the terms of the agreement, and have satisfactorily reclaimed the disturbed lands in accordance with the Notice of Intention to Conduct Mining Operations (NOI) and faithfully performed all requirements according to the Utah Mined Land Reclamation Act, and associated rules.

Therefore, please find enclosed the executed documents for permit number M/001/045:

- Reclamation Contract, original;
- Bond Release Findings, original;
- BLM Release Letter, copy;
- CD Release Letter signed by Division Director, copy;
- CD Agreement Letter, original

If you have any questions or concerns regarding this action, please contact Reclamation Specialist, Mr. Tom Munson (801) 538-5321 or Surety Coordinator, Ms. Beth Ericksen (801) 538-5318. Thank you for your efforts in completing the reclamation work associated with this project.

Sincerely.

Mine Program Coordinator Minerals Regulatory Program

Juran M. White

SMW:BE:pb

Enc: reclamation contract original, certificate of deposit letter agreement original, cd release letter, copy, bond release findings, original, BLM release letter copy

Cc: Beth Ericksen, OGM

Tom Munson, OGM

Ed Ginouves, BLM (Ed_Ginouves@blm.gov)

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